

Royalco Resources Limited

CASH IS KING !



October 2009



CAPITAL SUMMARY

- ASX CODE:**RCO**
- Total shares on issue - 52.7m (3.46m options)
- Current share price - 38 cents (12/10/2009)
- Market capitalisation - A\$20.0 million
- Cash and Bullion - \$10.5 million
- Substantial Shareholders:
 - Anglo Pacific 31.1%
 - Directors 19.2%
 - OZ Minerals 19.1%

Royalco Resources Limited

SHARE PRICE ACTIVITY



Royalco Resources Limited

CORPORATE MODEL



- Modelled on Franco Nevada and Repadre (now lamgold Corporation) royalty businesses which combine cash flow and resource development
- Convert exploration success to equities/royalties
- Maintain strong balance sheet with a healthy cash position-minimise shareholder dilution, the opposite in fact!
- Potential for comparatively early dividends

Royalco Resources Limited

EXISTING ROYALTY BANK



<u>Company</u>	<u>Description</u>	<u>Pre Resource</u>	<u>Scoping Studies</u>	<u>Feasibility</u>	<u>In Production</u>
Oceana Gold Ltd	Reefton, 5,000 ounces pa,Gold				●
Kagara Zinc Ltd	Mt Garnet 3% NSR**, Zinc,Lead, Silver				●
Cape Lambert Ltd	Mt Kelly, 1% NSR Copper, Gold				●
Silver Standard Resources Inc.	Bowdens, 1-2% NSR Silver,Zinc,Lead			●	
Hydromet Corp Ltd	Stanton, 1% NSR, Nickel, Cobalt		●		
Deutsche Rohstoff	Dagworth/Huonfels, Gold	●			
Oceana Gold Ltd	Sam's Creek	●			
Pelican Resources Ltd	Xanadu, Gold	●			
Alkane Exploration Ltd	Molong,Gold	●			
Syrah Resources Ltd	Mt Lyndhurst, Copper	●			

*ORR : Overriding Royalty
**NSR: Net Smelter Returns

Royalco Resources Limited

INCOME NOT PRICE SENSITIVE



- Reefton - 1115 ounces til end December, then 4250 ounces per annum until end 2012. This equates to approx \$5.0 million per annum (after NZ withholding tax)
- Mt Garnet, around \$400,000 per annum subject to campaign mining. More than four years of reserves
- Mt Kelly-1% NSR but capped with a further ~ \$600,000 to pay
- Revenue approx \$5.5 million on current gold/zinc prices
- Administration/exploration approx \$2.5 million
- ***We generate excess cashflow!!!!***



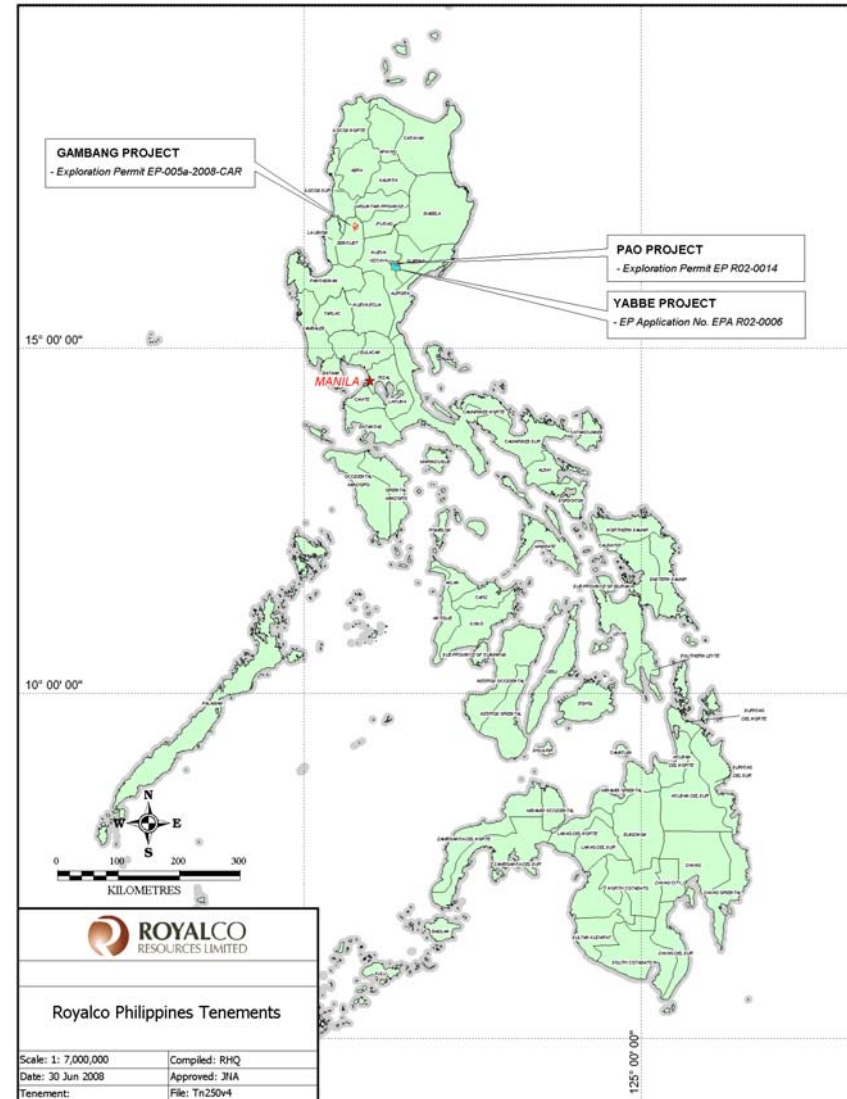
- Policy Guidance = 60% of after tax profit as dividends, once fully franked, subject to no additional need of capital
- Using 2010 as an indication, it is reasonable to assume a fully franked dividend of approximately 3 cents per share if the projected revenue and costs are as anticipated

Royalco Resources Limited



PHILIPPINES EXPLORATION

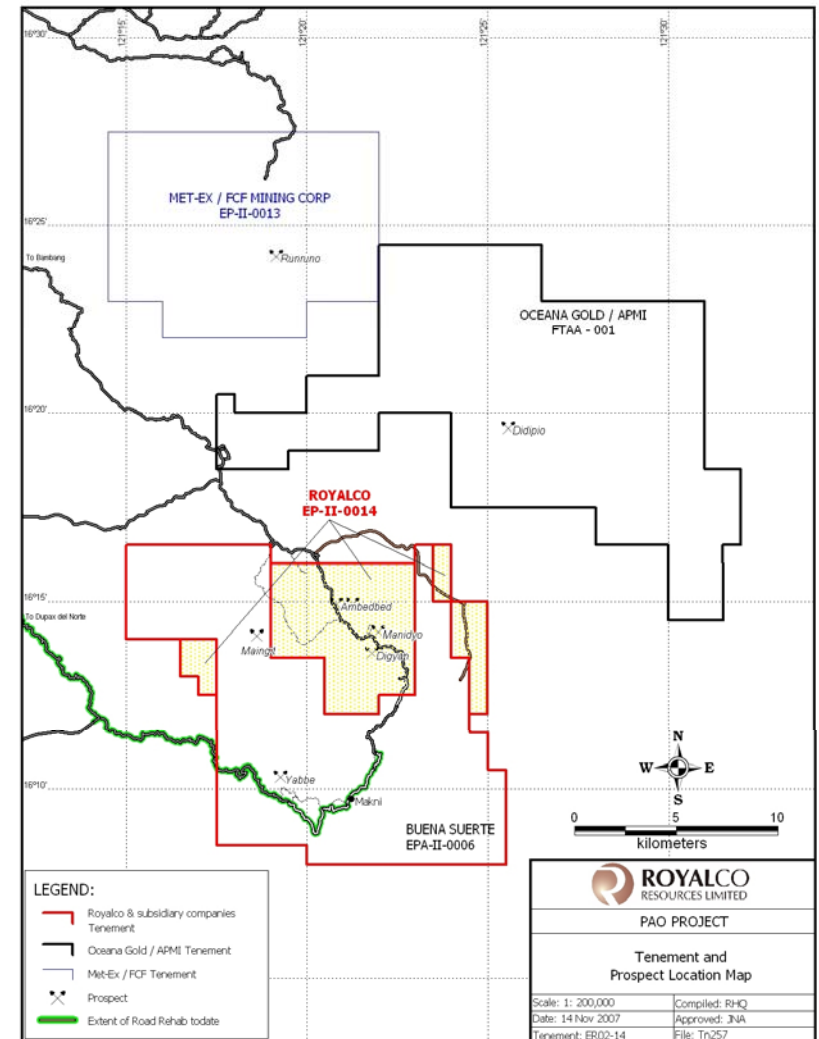
***One of the more prospective parts of the planet
Ask Xstrata, BHP, Anglo,
Freeport, Vale, RIO and so on***





PAO TENEMENT

- Subcropping epithermal vein system
- Grab samples up to
 - 49g/t Au
 - 348g/t Ag
 - 3.94% Cu
- Drilling to commence in November 2009



Royalco Resources Limited

PAO INFRASTRUCTURE



***It really is a jungle
out there!***



Royalco Resources Limited

PAO HIGHWAY



Royalco Resources Limited

PAO PROJECT



Pao Manidyo quartz enargite vein outcrop

Royalco Resources Limited

PAO PROJECT



Pao Ambedbed – old mine adits

Pao Digyan Vein zone



Royalco Resources Limited

MANAGEMENT



- Directors comprise Messrs Topham, Ogg, Pertzelt, Eadie and Orchid
- Offers a blend of technical and commercial expertise
- Support staff low cost and based in the Philippines
- Low head office costs



- ***Royalty Acquisitions*** - Three packages at various stages of negotiation
 - Includes royalties that are in production
 - Database

- ***Exploration***
 - Conversion on success
 - Research base SE Asia orientated

Royalco Resources Limited

MAIN FEATURES



- ***ATTRACTIVE COMMODITY EXPOSURE (Gold, base metals)***
- ***STRONG BALANCE SHEET AND CASHFLOWS (Value)***
- ***DIVIDENDS-2010 (Return)***
- ***LOWER RISK PROFILE***

Thank you for your attention !